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Romania revises down the biofuels mandates

Report Categories:

Biofuels

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Report Highlights:

Citing reasons of technical, legal, and economic nature, Romanian Government amended the blending rates for biofuels in January 2014. According to the previous legislation, the incorporation rate for bio-ethanol was scheduled to increase from five percent to six percent in 2014. Nevertheless, instead of a rise, the Romanian Government decided to drop the mandate from five percent to 4.5 percent.

General Information:

At the end of December 2012, the Romanian Government revised the blending percentages for biofuels setting the blending mandate for biodiesel at five percent until 2016 when it was expected to rise to 7 percent. A year later (January 2014), the Romanian Government amended again the mandates maintaining the blending rate for biodiesel flat at five percent until 2016, when it is scheduled to grow to 6.5 percent. According to the justifying note, a level exceeding 7 percent as previously planned, would have not been in compliance with the current car engine standards.

In the case of bio-ethanol, the blending level until 2012 was set at four percent and was expected to rise to six percent in January 2013. At the end of December 2012, the Romanian Government revised the blending percentages for bio-ethanol setting it to rise to five percent in January 2013, six percent in 2014, and nine percent in 2017. In January 2014, the Romanian Government decided to drop the mandate to 4.5 percent beginning with 2014. The law does not prohibit introduction on the market of a higher bio-component blend, assuming the consumers are warned about the need to check about the compatibility of the engine with a higher level of biofuels.

According to the justification note provided by the Department of Energy, taking into account the age of the car fleet in Romania and the European Car Manufacturing Association recommendation that E5 must be available on the market at least until 2016, it would have been unfeasible for retailers to place on the market two different types of gasoline (E5 type and E10 type). The resources available at the fuel supplier level are unlikely to secure conditions for a separate production, transportation, storage and distribution chain. The Romanian Government also mentioned concerns regarding the potential complaints and claims from car users side, in case the only gasoline type available on the market would have been E10 type.